Black State Employees Association of Texas
Community Development Corporation, Inc.

February 16, 2005

Attention: Saleem Jafar
Bill Fisher

From: Dr. Darren L. Reagan [redacted]-0850

Re: The Homes Of Pecan Grove Deal & Discussion Points Per The BSEATCDC, Inc. And Others Perspective

The point of this memo is to further clarify and not to be unduly repetitious (going back & forth) relative to issues that have been discussed previously.

1) Linkage Of Pecan Grove & Dallas West Village Projects: Bill Fisher linked both projects by (1) having meeting and discussions with others who are and or was interested in both projects (against my advice) who attempted to use political influence to get the projects passed by various city of Dallas public bodies (2) Attempting to withhold payment due to The BSEATCDC, Inc. for services rendered on the Pecan Grove project by using the successful city council passage of the Dallas West Village project. Bill insisted on getting assurances on the Dallas West Village project at the same time while delaying payment owed to The BSEATCDC, Inc., as well as insisting on Pecan Grove contractual changes before final balance payment was made.

2) Both Projects were considered dead: Based on everyone's opinion (members of the Dallas City Council, Dallas Planning and Zoning Commission, public officials, other Odyssey hired consultants, and others (including both of you guys). Dead meaning: No Projects. ZERO monies. Neither one of you guys put all of the cards on the table regarding both projects in its totality: The project feasability, project cost/budget analysis, particularly its potential profits, etc. Odyssey goes from a Big ZERO/NOTHING to a very financially rewarding developer's fee (several millions) plus other potential cost savings. The BSEATCDC, Inc. and others are interested in parity and equity, period. No charitable contributions or donations on 2 major multi-million dollar projects. No one would have been paid had The BSEATCDC, Inc. not expended a significant amount of political capital, very long and exhaustive hours reviving both projects. Therefore, The BSEATCDC, Inc. Must be compensated accordingly in an equitable manner. The BSEATCDC, Inc. would give proper consideration to any equitable compensation proposal from Odyssey.

Finally, it is The BSEATCDC, Inc. Goal and objective to get both projects contractual issues resolved in a timely manner. I encourage you guys to work through whatever you need to work through in on your end, however, I committed to have a report to Councilman Hill regarding these matters before the proposed hearing scheduled for next week.
In closing, I may add and comment as other repetitive issues arrive. I have previously covered practically any and all of the issues that may or may not come up. Nevertheless, I will point right back to each of them if necessary.

"MAKING THE VISION A REALITY"
P.O. BOX 763773*DALLAS, TEXAS 75376*(214) 467-7600*FAX (214) 467-7704
Toll Free (800)257-9443

GOVERNMENT EXHIBIT
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3:07-CR-0289-M

Black State Employees Association of Texas, Inc.

FACSIMILE TRANSMITTAL SHEET

To: Saleem Jaffar

From: Darron L. Reagan [redacted]-0850

Company: Odyssey Residential

Date: 2-16-05

Phone Number:

Phone Number: (214) 467-7600

Fax Number: 9/455-9297

Fax Number: (214) 467-7704

CC: Bill Fisher

Number of Pages Including Cover Sheet: 2

Notes/Comments:

☐ Urgent ☐ For your review ☑ Reply ASAP ☐ Please comment

Please Review & Sign Amended Contract of Pecan Grove & Fax Back The Homes Today Please Bring Original Signed Copy Promptly.

To Our Mtg. Scheduled For Friday, 2-18-05 @ 2pm in our 2nd Fl. Conf. Rm

Amended Contract To
The Homes Of Pecan Grove
Between Odyssey Residential Holdings, Inc. And The Black State Employees Association Of Texas Community Development Corporation, Inc. (The BSEATCDC, Inc.)

A) The BSEATCDC, Inc./Project Manager shall receive 50% of Developer's fee payable promptly upon dispersing of funds. Odyssey Residential will provide verifiable written notice to CharterMac (project investment/funding source). Additionally, The BSEATCDC, Inc. shall receive 50% payment of any and all savings related to the project (soft costs, construction costs, budget reserve funds, etc.).

B) The BSEATCDC, Inc. referred subcontractors shall receive preferred and priority consideration and will negotiate a mutually acceptable contract award.
Odyssey Residential Holdings, Inc. And The Carleton Company will immediately issue irrevocable letters of commitment to the subcontractors as listed below, with formal contracts signed prior to the start of any construction work on the project site.

The following shall represent The BSEATCDC, Inc. preferred list of companies/subcontractors:

1) Security: Greer's Security & Investigation Services: Contact person: Billy Greer/Charles Johnson (214) 660-0200
2) Landscaping: M & C Landscaping Services: Contact person: Carolyn Smith (972) 333-2373
3) Iron Work/Fencing/Stairway & Patio railings/fencing: Hannah's Iron Works, Bars & Fencing: Contact Person: Fredrick Hannah(214) 280-5452.
4) Concrete: Vestal Builders, Inc.: Contact person: Donald Vestal (817) 516-0103.
5) HVAC: Tucker Aire Services: Contact Person: Otis Tucker (214) 202-9302
6) Carpeting: A 1 Carpeting Work: Contact Person: C.B. Green (972) 229-4516

C) Proposed Retail Site/Plaza: Odyssey Residential Holdings, Inc. Via its stated public commitment (Dallas City Council Public Hearings) will develop simultaneously during the construction of the Homes Of Pecan Grove. Final site plans will be delivered to The BSEATCDC, Inc. for review on or before Friday, March 4, 2005 and or before the site work for the Homes of Pecan Grove begin, whichever occurs first.

D) Arbitration and litigation: Any party may seek legal remedy via agreed upon Arbitration (American Arbitration Association) and or may file suit in district court.

E) The BSEATCDC, Inc. Approval Clarification: The BSEATCDC, Inc. as previously stated fully retains its approval authority as outlined in the original contractual agreement with Odyssey Residential Holdings, Inc. Additionally, Odyssey Residential Holdings, Inc. and or any of its affiliates, officers, agents, representatives, associates, etc. will not directly or indirectly interfere (unduly causing confusion, conflicts, micro managing, potential project delays, etc.) with The BSEATCDC, Inc. (The Project Manager) or its consultants/contractors or the prime contractor (The Carleton Company) in their performance and carrying out their project contractual duties, assignments and obligations. Odyssey Residential Holdings, Inc. primary communication is "first" directly with the project manager, the project manager will communicate Odyssey's concerns, observations to the prime contractor. All Odyssey concerns, observations and recommendations must be communicated in written form (email, fax, or mail).

Signed _____ Date 3-16-05 Signed _____ Date _____

Attn: Saleem Jafar
Bill Fisher

Amended Contract To
The Dallas West Villages Project
Between Odyssey Residential Holdings, Inc. And The Black State Employees Association Of Texas Community Development Corporation, Inc. (The BSEATCDC, Inc.)

A) The BSEATCDC, Inc./Project Manager shall receive 50% of Developer's fee payable promptly upon dispersing of funds. Odyssey Residential Holdings, Inc. And or its affiliate companies, new created company for the referenced project will provide verifiable written notice to the project's investment/funding source. Additionally, The BSEATCDC, Inc. shall receive 50% payment of any and all savings related to the project (soft costs, construction costs, budget reserve funds, etc.).

B) The BSEATCDC, Inc. referred subcontractors shall receive preferred and priority consideration and will negotiate a mutually acceptable contract award.

Odyssey Residential Holdings, Inc. And The Selected Prime Contractor will immediately on or before the closing of the funds will issue irrevocable letters of commitment to the subcontractors as listed below, with formal contracts signed prior to the start of any construction work on the project site.

The following shall represent The BSEATCDC, Inc. preferred list of companies/subcontractors:

1) Security: Greer's Security & Investigation Services: Contact person: Billy Greer/Charles Johnson (214) 660-0200
2) Landscaping: M & C Landscaping Services: Contact person: Carolyn Smith (972) 333-2373
3) Iron Work/Fencing/Stairway & Patio railings/fencing: Hannah's Iron Works, Bars & Fencing: Contact Person: Fredrick Hannah(214) 280-5452.
4) Concrete: Vestal Builders, Inc. Contact person: Donald Vestal (817) 516-0103.
5) HVAC: Tucker Aire Services: Contact Person: Otis Tucker (214) 202-9302
6) Carpeting: A 1 Carpeting Work: Contact Person: C.B. Green (972) 229-4516

C) Proposed Retail Site/Plaza: Odyssey Residential Holdings, Inc. Via its stated public commitment (Dallas City Council Public Hearings) will develop simultaneously during the construction of the Dallas West Villages. Final site plans will be delivered to The BSEATCDC, Inc. for review on or before or before the site work for the Dallas West Villages begin, whichever occurs first.

D) Arbitration and litigation: Any party may seek legal remedy via agreed upon Arbitration (American Arbitration Association) and or may file suit in district court.

E) The Odyssey Residential Holdings, Inc. and or any of its affiliates, officers, agents, representatives, associates, etc. will not directly or indirectly interfere (unduly causing confusion, conflicts, micro managing, potential project delays, etc.) with The BSEATCDC, Inc. (The Project Co-Developer, Co- General Contractor and Project Manager) or its consultants/contractors or the prime contractor in their performance and carrying out their project contractual duties, assignments and obligations. Odyssey Residential Holdings, Inc., its affiliates, officers, agents, associates, consultants and others primary communication is "first" directly with The BSEATCDC, Inc., in its role as the project manager the project manager will communicate Odyssey's concerns, observations to the prime contractor. All Odyssey concerns, observations and recommendations must be communicated in written form (email, fax, or mail).

Signed _____ Date 2-16-05 Signed _____ Date _____

BLACK STATE EMPLOYEES ASSOCIATION OF TEXAS

P.O. BOX 763773 • DALLAS, TEXAS 75376

RETURN RECEIPT REQUESTED

7004 1160 0000 9992 88A[illegible]

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SALEEM JAFAR
OWNER/MANAGING PARTNER
ODYSSEY RESIDENTIAL HOLDINGS, INC.
5430 LBJ FWY
SUITE 1200
DALLAS, TEXAS 75240